Dilemma: Equity For Mobile Employees - Fairness Versus Mobility Realities

Equity has become more than a moral imperative: it is now a strategic business challenge and in a growing number of countries, a compliance requirement. According to Mercer's 2025 Worldwide International Assignments Policies and Practices Survey, only 23% of assignees globally are female, signalling a significant under-representation of women in mobile populations. Moreover, fewer than 10% of organisations can demonstrate a reliable link between mobility and career progression, while approximately 41% admit that they do not track promotions post-assignment.

On the reward front, Mercer's research highlights the fragmentation of compensation models: The "home-based" (balance sheet) approach that once dominated is still in use, especially for strategic moves or hardship locations, but the growing complexity of assignment types has led firms increasingly toward "host-based" or "local plus" compensation models.

For example, Mercer found that 96% of organisations have employees on local plus arrangements (host salary plus tailored benefits) and 57% expect this number to grow. These shifts respond to cost pressures, talent supply issues, and a need for flexible mobility.

Meanwhile, pay-transparency and equity legislation are tightening globally. The EU Pay Transparency Directive, in particular, reinforces the need for equity and pay explainability, as it requires employers to justify pay differences exceeding 5% based on objective criteria and grants employees the right to request comparator pay information. The directive applies to all workers in EU member states, potentially including expatriates and internationally mobile employees. HR teams must be increasingly prepared to document and articulate the rationale behind various compensation approaches.

Organisations must, therefore, manage both pay equity (how assignees compare with local and home peers) and career equity (how mobile versus non-mobile employees fare in development and progression) in an environment where transparency expectations are rising.

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The Dilemma

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From the fairness side:

- Mobile employees may receive significantly different compensation compared with local peers doing equivalent work. Without a transparent rationale, this breeds perceived unfairness. In jurisdictions implementing pay-transparency rules, such as the EU, unexplained gaps may also invite questions from employees or regulators
- Career pathways for mobile employees often diverge from non-mobile colleagues; if mobility becomes the default fast-track, those unable to move may feel disadvantaged or sidelined
- With global pay-equity laws expanding, treating mobile employees as a distinct category without justification could create regulatory risk.

From the mobility realism side:

- Many assignments involve valid cost and complexity drivers: relocation expense, tax and social-security burdens, family disruption, risk and hardship, or the need to maintain a link with the home country
- Home-based packages, commonly used for international assignees, protect the assignee's purchasing power and simplify repatriation, ensuring consistency in the standard of living, which may justify higher pay relative to the host market
- Talent shortages in certain markets, urgency of business need, and maintaining competitiveness argue for differentiated reward for mobile talent.

Beyond pay, there's the dimension of career equity: the Mercer Worldwide International Policies and Practices Survey shows many organisations don't track whether mobility leads to promotion or retention, so mobility may inadvertently become a "privilege" or a dead-end, rather than a transparent path.

The dilemma then becomes: How do you compensate mobility in a way that is defensible, aligned with business needs, yet does not create unfair pay or career outcomes inside the organisation and remains compliant with evolving equity and transparency mandates?

Resolving The Dilemma: Reconciling Compensation Logic With Equity And Compliance

The most credible path forward is not to insist on one side (fairness or realism), but to build a coherent, equity-aligned mobility reward and career system, anchored in logic, transparency, and segmentation.

1. Segment Assignments By Purpose And Reward Accordingly

Recognise that not all mobility is the same. Assignment types differ: strategic long-term leadership roles, high-risk hardship assignments, short-term developmental rotations, one-way transfers, and virtual international work. Each type brings distinct business value, cost exposures, and career implications. Defining segments allows you to build differentiated reward logic and career pathways that are defendable. Segmentation also

helps organisations explain legitimate pay differences when responding to transparency requirements.

2. Define What "Equity" Means In Your Mobility Context: Pay- And Career-Equity

Pay equity within mobility means comparing assignee pay to both host-market peers and home-country peers doing similar work, and justifying differences with a documented rationale.

Career equity means ensuring mobile and non-mobile employees have transparent routes to development and reward, so mobility is not the only fast-track path. Career equity, as such, is not regulated by the EU pay transparency directive. However, career inequities often lead to pay transparency and equity issues.

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3. Construct And Document A Defendable Compensation Logic

The use of home or host-based pay approaches for mobile employees is sometimes based on short-term considerations - such as securing a specific candidate or, on the contrary, saving costs. Organisations must make these rationales more explicit to meet transparency expectations. For example, the EU directive requires that pay differences are based on objective and measurable criteria. The logic must withstand both internal scrutiny and external compliance.

4. Drive Transparency And Monitoring (With Equity Lens)

Proactively publish internal principles and report equity outcomes: gender composition of assignees, mobile versus local pay comparisons, and promotion and repatriation statistics. For companies operating in the EU, this includes being prepared to respond to employee pay-information requests and participate in pay-gap reporting as required.

5. Create Alternative Career Routes To Mitigate Career Inequity

If some types of international assignment become the privileged route to advancement, those who cannot relocate may feel second class. Provide equivalent development options: regional postings, cross-functional assignments, virtual mobility (working remotely to support another business unit), or short international rotations. This reinforces that mobility takes many forms and that there is no unique path to reward and progression.

6. Review, Iterate, And Align With Evolving Context

The debate over compensation approaches is far from over, as new work styles (virtual mobility, remote international work) and evolving employee expectations force fresh thinking. Regularly audit pay and career outcomes and adjust policy. Mobility packages may need to be reassessed or, at the very least, communicated differently to ensure documented fairness and compliance.

Organisations that succeed will not choose between fairness and market reality. They will design reward and career systems where both co-exist, and where differences are justified, communicated, and equitable. Equity in mobility is no longer a "nice to have." It is a driver of trust, talent attraction, mobility ROI, and compliance.

The question for mobility and HR leaders isn't whether mobile employees should be treated differently; it is how that difference is designed, how transparently it's communicated, how it aligns with career development, and how it holds up under external scrutiny, particularly as global pay-transparency expectations, including those emerging from the EU, continue to expand.

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Find out more: Join us at the 2026 Talent Mobility Conference in Budapest on April 23-24 to discuss compensation challenges with your peers.